"IT CAN NOW BE RECOGNIZED AS ONE OF THE MOST SOLID AND PROFITABLE MIDDLEWEIGHTS IN THE LAND DEVELOPMENT AND CONSTRUCTION SECTOR"

Consolidated Building Corporation Limited
Report to Shareholders 1975

Officers

Harold MacNamara
Chairman of the Board

Lawrence Shankman
President and Chief Executive Officer

Francis D. Cavill
Vice President, Investment Properties

James McFarlane
Vice President, Operations

D. Norman Morris, C.A.
Vice President, Finance

Somer Rumm
Vice President, Land Development

Martha Fairfield
Secretary

Auditors

Clarkson, Gordon & Co.

Transfer Agents and Registrar

Guaranty Trust Company of Canada

Listed

Toronto Stock Exchange
Montreal Stock Exchange
Vancouver Stock Exchange

Board of Directors

Howard L. Beck, Q.C.
Partner,
Davies, Ward and Beck

John S. Bull
President and
Chief Executive Officer
Bovis Corporation Limited

W. Bernard Herman, Q.C.
Chairman, City Parking
Canada Limited

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Vice President, Finance
Bovis Corporation Limited

James McFarlane
Vice President, Operations
Consolidated Building
Corporation Limited

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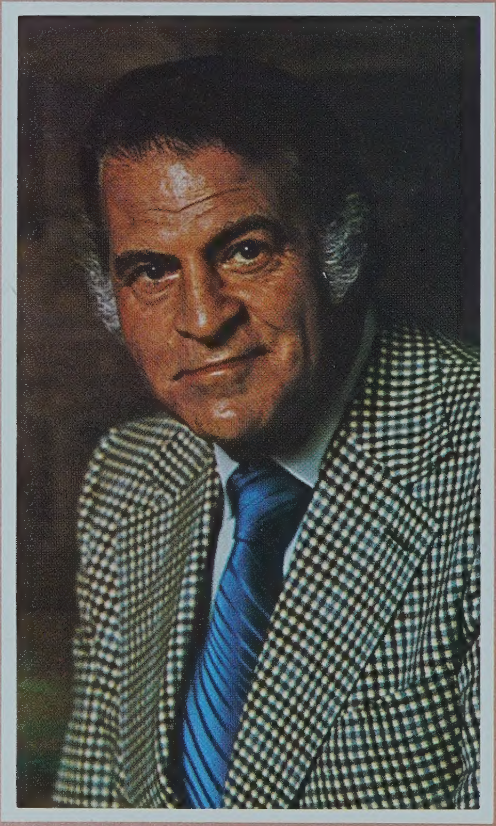


poration Limited

	1975	1974	1973	1972	1971
	$47,578,000	$35,565,000	$28,878,000	$17,560,000	$14,821,000
	10,002,000	6,701,000	2,888,000	1,039,000	832,000
	4,602,000	3,201,000	1,338,000	519,000	457,000
hare	72¢	57¢	28¢	11¢	9¢
	7,139,000	4,588,000	3,205,000	1,231,000	943,000
re	$1.12	82¢	66¢	26¢	20¢
	91,755,000	65,375,000	*41,429,000	*31,911,000	24,471,000
	16,385,000	11,913,000	4,146,000	2,600,000	2,135,000
re	10¢				
	6,368,329	6,195,329	4,955,870	4,821,829	4,821,829
rage Equity	32.5%	39.8%	39.7%	21.9%	24.0%

to line-by-line consolidation of joint ventures

I am pleased to report another year of continued growth and earnings for Consolidated Building Corporation.

Total revenue for the year ended February 28, 1975 rose to $47,578,000 from $35,565,000 the previous year, an increase of 34%. The Company's assets escalated to $91,755,000 from $65,375,000, a 40% increase.

Net earnings increased by 44% to $4,602,000 as compared to $3,201,000 the year before, or, on a per common share basis, to 72¢ from 57¢. Shareholders' equity was up 37% from $11,913,000 to a total of $16,385,000.

The past fiscal year has been a record one for your Company. In light of this, the Board of Directors increased the annual dividend to 15¢ per common share from 10¢, payable 7½¢ semi-annually.

We are continuing our policy of investing in revenue-producing properties. We have brought on stream this past year a 440-suite apartment building at 40 Gerrard Street East, Toronto. This building is now virtually at total occupancy and revenues from 40 Gerrard will add approximately $1,250,000 to our annual gross income.

Another major project at Bloor and Dundas Streets in Toronto is progressing toward its scheduled completion this fall. This building, containing approximately 1,100 suites plus 80,000 feet of retail commercial space, is now being leased. We expect that, when fully leased, Bloor and Dundas will add $3,700,000 to our annual gross income.

All existing residential and commercial developments are virtually 100% occupied.

Profits are earned from three main divisions: revenue producing properties, land development and residential construction. A detailed review of operations appears in the closing pages of this report.

Consolidated Building has grown rapidly and, as indicated by the graph to the left, has shown an excellent profit record over the last five years. We "can now be recognized as one of the most solid and profitable middleweights in the land development and construction sector," said the January 1975 issue of the Toronto Stock Exchange Review. We expect to sustain this profit pattern.

It is difficult to assess the development industry on a short term basis. Many of our projects take from one to five years through to completion and profits are delayed accordingly. We have assembled a land bank of about 3,400 acres, a portion of which is held in joint ventures. We plan to release this land in scheduled stages over the next five years. However, our scheduling is controlled to a large degree by the vagaries of the various levels of government.

In the past, resistance by some municipalities to new growth has caused a construction slowdown, but this resistance is gradually breaking down as politicians are becoming more sensitive to the adverse effect the slump is having on their communities.

We hope that the Ontario Housing Action Program recently initiated by the provincial government will accelerate this change in attitude. Furthermore, the Government of Ontario, in its April budget, created a $1,500 grant program for first-time home buyers. We were fortunate that, at the time the program was announced, we had an inventory in excess of 600 housing units in various stages of construction. To qualify for the $1,500 grant, a first-time buyer must occupy the house or condominium by December 31, 1975. Since the introduction of this program, our house sales have increased and, therefore, we anticipate a good year.

Similarly, it is also difficult to forecast future earnings. Our industry has been used as a "tap" by the federal government to regulate the country's economy. When business is good, Ottawa turns off the tap, thus drying up the supply of mortgage funds. This slows the economy. When business is bad, the tap is turned on, releasing the needed funds. This type of control causes severe dislocations within the industry. However, one thing is certain. The belated positive action of governments at all levels has accelerated the need for housing and the demand continues.

There have been strong indications from Ottawa and Queen's Park that the housing shortage in the moderate to low income range is receiving high priority. We expect other incentive programs to be introduced by both levels of government.

Your Company has been a leading builder of government-subsidized housing. We managed the construction of 2,400 such homes in the village of Central Park, Brampton, Ontario. Based on this experience, we are confident that we will have further opportunities to cooperate with government to produce moderately-priced housing.

Given our substantial inventory of land and the expertise of our management team, we anticipate continued short and long term growth and profits.

Your Company was featured in the January 1975 issue of the Toronto Stock Exchange Review. We believe that this article is of particular interest to all shareholders and are, therefore, enclosing a reprint.

In closing, I would like to take this opportunity to express my sincere gratitude to the members of the Board and to the staff of Consolidated Building Corporation who helped make 1975 a most successful year.

Lawrence Shankman
President

“GIVEN OUR SUBSTANTIAL INVENTORY OF LAND AND THE EXPERTISE OF OUR MANAGEMENT TEAM, WE ANTICIPATE CONTINUED SHORT AND LONG TERM GROWTH AND PROFITS”

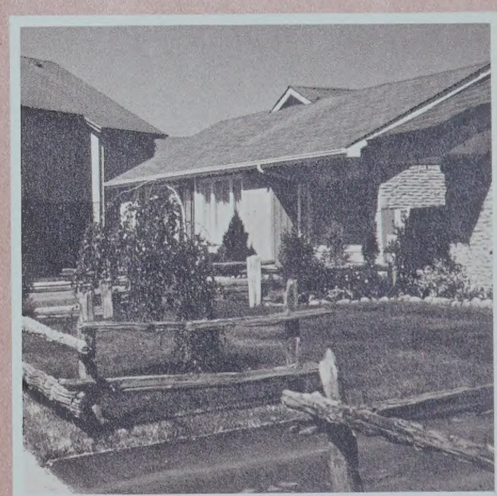
Residential Projects
1 Clarkson
2 Meadowvale
3 Central Park
4 Pine Hill
5 Morningside & Lawrence
6 Lonsdale House
7 The Masters

Land Development Projects
8 Rosewood
9 Whitby West Lynde
10 Whitby Thickson
11 Heart Lake
12 Keswick Land
13 Kitchener
14 Mississauga
15 Oshawa
16 Brooklin
17 Milliken - Scarborough

Investment Properties
18 99 Avenue Road
19 Regency Hotel
20 40 Gerrard
21 260 Richmond Street
22 Whitby Industrial Mall
23 Walmer Place
24 Barrie Shopping Centre
25 Crossways

Property Management Contracts
26 Bayshore Heights
27 Parkchester
28 Gates of Bramalea
29 Spanish Villas
30 Lonsdale House
31 Inverhouse Townhouses

Greater Toronto

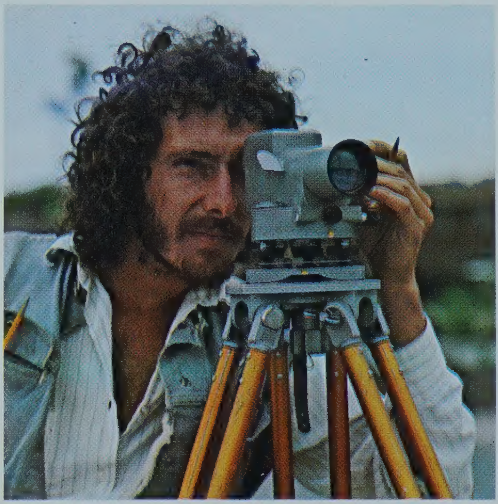


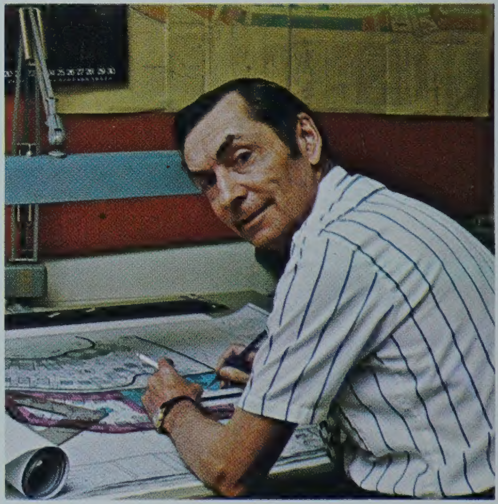
"THEY SEEM TO OPERATE IN A VERY CASUAL FASHION WITH A GREAT DEAL OF SKILL AND EFFICIENCY"

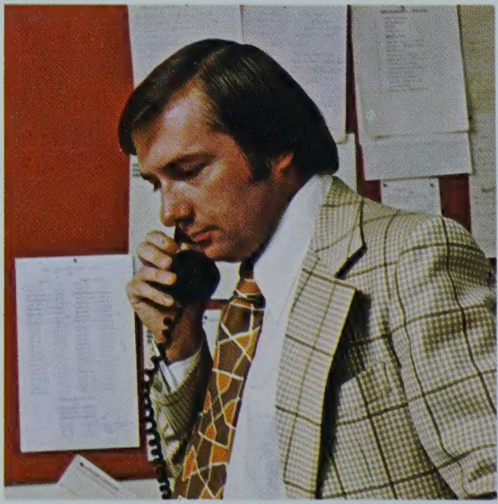
The January 1975 edition of the Toronto Stock Exchange Review is quoted as saying, "A prominent Bay Street analyst, when asked recently to describe Consolidated Building (often called Builders) replied: 'They seem to operate in a very casual fashion with a great deal of skill and efficiency.' An apt description of Consolidated Building Corporation as it embarks on its twentieth year in business."

The success of Consolidated Building is predicated on people. Our shareholders. An aggressive but responsible management team. And administrative and construction support staff numbering in the hundreds. Collectively, these people have helped Consolidated Building grow with "controlled momentum".

We have dedicated these two pages of our 1975 annual report to a representative cross-section of Consolidated Building's personnel. Pictured on these two pages are some of those people.







"ANOTHER YEAR OF CONTINUED GROWTH AND EARNINGS FOR CONSOLIDATED BUILDING CORPORATION"

The following are the financial highlights for our fiscal year ended February 28, 1975. As indicated in the president's report to shareholders, the year was a record one for Consolidated Building Corporation. Consequently, the Board of Directors increased the annual dividend to 15¢ per common share from 10¢, payable 7½¢ semi-annually. The balance sheet, statements and auditors' notes appear on the proceeding pages, followed by written reports for our three operating divisions, revenue properties, land and residential.

Financial Highlights

Revenue	$47,578,000
Earnings before Tax	10,002,000
Net Earnings	4,602,000
Net Earnings per Common Share	72¢
Cash Flow from Operations	7,139,000
Cash Flow per Common Share	$1.12
Assets	91,755,000
Shareholders' Equity	16,385,000
Dividends per Common Share	10¢
Number of Common Shares Outstanding at year end	6,368,329
Return on Shareholders' Average Equity	32.5%

Consolidated Building Corporation Limited
and subsidiary companies

Consolidated Statement of Earnings
For The Year Ended February 28, 1975
with comparative figures for 1974

Revenue:	**1975**	**1974**
Sale of real estate (note 1e)	$43,767,000	$32,594,000
Gross income from investment properties	2,261,000	1,871,000
Interest, management fees and sundry income	1,550,000	1,100,000
	47,578,000	35,565,000
Expenditures:		
Cost of real estate sold	32,636,000	25,004,000
Operating expenses of investment properties (excluding interest and depreciation)	1,966,000	1,605,000
Selling, general and administrative expenses	1,936,000	1,564,000
Interest expense (note 9)	815,000	547,000
Depreciation and amortization of investment properties (note 1b)	223,000	144,000
	37,576,000	28,864,000
Earnings for the year before income taxes	10,002,000	6,701,000
Income taxes		
current	3,100,000	2,360,000
deferred	2,300,000	1,140,000
	5,400,000	3,500,000
Earnings for the year	$ 4,602,000	$ 3,201,000
Earnings per share (based on weighted average of shares outstanding during the year)	72¢	57¢

Consolidated Statement of Retained Earnings
For The Year Ended February 28, 1975
with comparative figures for 1974

	1975	**1974**
Retained earnings, beginning of year (note 5)	$ 4,639,000	$ 1,438,000
Add earnings for the year	4,602,000	3,201,000
	9,241,000	4,639,000
Deduct:		
Dividends paid	637,000	
Excess of cost of shares cancelled over stated value including related income taxes (note 6)	6,000	
	643,000	
Retained earnings, end of year	$ 8,598,000	$ 4,639,000

The accompanying notes
are an integral part
of the financial statements

Consolidated Building Corporation Limited
and subsidiary companies

Consolidated Balance Sheet
February 28, 1975
with comparative figures for 1974

Assets	1975	1974
Cash	$ 946,000	$ 2,256,000
Mortgages, sale agreements and sundry receivables	14,663,000	9,062,000
Deposits on land (note 8)	120,000	339,000
Housing completed and under construction (note 1c)	22,918,000	14,996,000
Land held for development and sale (note 1c)	28,472,000	23,183,000
Investment properties (notes 1b, 1d, 2)	24,333,000	15,108,000
Sundry	303,000	431,000
Total Assets	$91,755,000	$65,375,000

The accompanying notes
are an integral part
of the financial statements

On behalf of the Board:

Director L. Shoukimson

Director D. Morris

Liabilities	1975	1974
Bank indebtedness (note 3)	$ 5,232,000	$ 549,000
Accounts payable and accrued liabilities	10,310,000	7,241,000
Income taxes payable	775,000	2,366,000
Progress billings, land and housing deposits	358,000	3,491,000
Mortgages on housing completed and under construction	14,119,000	6,549,000
Other mortgages and secured loans (note 4a)	21,116,000	17,395,000
Mortgages on investment properties (note 4a)	14,840,000	9,150,000
6¼% sinking fund debentures due February 1, 1979 (note 4b)	2,199,000	2,600,000
Deferred income taxes (note 5)	6,421,000	4,121,000
Contingent liabilities (note 7)		
Total liabilities	75,370,000	53,462,000
Shareholders' Equity		
Capital stock (note 6)		
Authorized:		
13,946,400 common shares without par value		
Issued:		
6,368,329 common shares without par value	7,787,000	7,274,000
Retained earnings	8,598,000	4,639,000
	16,385,000	11,913,000
	$91,755,000	$65,375,000

Auditors' Report

To the Shareholders of
Consolidated Building Corporation Limited:

We have examined the consolidated balance sheet of Consolidated Building Corporation Limited and its subsidiaries as at February 28, 1975 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at February 28, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
May 30, 1975

Clarkson, Gordon & Co.
Chartered Accountants

Consolidated Building Corporation Limited
and subsidiary companies

Consolidated Statement of Changes in Financial Position
For The Year Ended February 28, 1975
with comparative figures for 1974

Sources of funds:	**1975**	**1974**
Earnings for the year	$ 4,602,000	$ 3,201,000
Add non cash items—		
Deferred income taxes	2,300,000	1,140,000
Depreciation and amortization	223,000	144,000
Other	14,000	103,000
Funds provided from operations	7,139,000	4,588,000
Proceeds from issue of shares	520,000	4,566,000
Mortgages on housing inventory	7,570,000	2,373,000
Mortgages on land and other	3,721,000	5,818,000
Mortgages on investment properties	5,690,000	3,047,000
Increase in accounts payable	3,069,000	1,366,000
Decrease in other assets	284,000	(173,000)
	27,993,000	21,585,000
Applications of funds:		
Dividends	637,000	
Housing inventory	7,922,000	8,715,000
Land held for development	5,289,000	6,726,000
Investment properties	9,448,000	5,467,000
Increase in mortgages, sale agreements and sundry receivables	5,601,000	1,078,000
Repayment of sinking fund debentures	365,000	367,000
Decrease in progress billings and deposits	3,133,000	(3,198,000)
Decrease in income taxes payable	1,591,000	(2,306,000)
	33,986,000	16,849,000
Increase (decrease) in bank indebtedness, net of cash	$ 5,993,000	($ 4,736,000)

The accompanying notes
are an integral part
of the financial statements

Consolidated Building Corporation Limited
and subsidiary companies

Notes To Consolidated Financial Statements February 28, 1975

1. Accounting policies

(a) Consolidation

The accounts of all subsidiary companies have been included in the consolidated financial statements. Joint ventures are accounted for on a line-by-line basis reflecting the Company's proportionate share of each asset, liability, revenue and expense item.

(b) Depreciation

The Company records depreciation on buildings held for investment purposes on a 4%, forty year sinking fund basis. The depreciation charge, which increases annually, consists of a fixed annual sum together with an amount equivalent to interest compounded at the rate of 4% per annum so that assets will be fully depreciated forty years after construction.

Depreciation on equipment is recorded on a 10% straight-line basis. Leasehold improvements are written off in equal annual instalments over the terms of the leases.

(c) Housing completed and under construction and land held for development and sale

These include the cost of land, land improvements, building construction costs and all carrying costs such as mortgage interest, realty taxes, legal fees and other direct expenses plus a portion of interest on general borrowings considered directly applicable.

The Company provides for the immediate write-off of any costs which are not recoverable from the proceeds of future sales. Accordingly, the carrying value of these inventories is less than estimated realizable value.

(d) Investment properties

Investment properties are carried at cost, which includes mortgage interest, property taxes, legal fees and certain overhead expenses capitalized during the construction and initial leasing periods.

(e) Revenue recognition

Revenue from the sale of housing is recognized when each house is completed and accepted by the purchaser. Revenue from the sale of condominiums is recognized when the property has been registered as a condominium and the unit is accepted by the purchaser. Revenue from the sale of land is recognized when all material requirements related to the sales agreement have been met and when risks of ownership have been transferred to the purchaser.

(f) C.I.P.R.E.C.

The Company is a member of the Canadian Institute of Public Real Estate Companies. The Company's accounting policies and its standards of financial disclosure are substantially in accordance with the recommendations of that Institute.

2. Investment properties, at cost

These consist of:

	1975	1974
Buildings	$11,148,000	$ 4,820,000
Equipment	700,000	550,000
Leasehold improvements	233,000	271,000
Parking lot	285,000	274,000
Buildings under construction	8,847,000	6,041,000
	21,213,000	11,956,000
Less accumulated depreciation and amortization	1,230,000	1,198,000
	19,983,000	10,758,000
Land	4,350,000	4,350,000
	$24,333,000	$15,108,000

3. Bank indebtedness

The Company has issued and deposited with its bankers as collateral security, demand debentures and a mortgage in respect of the bank loan and letters of credit outstanding (see note 7). The debentures are secured by a first floating charge on the assets of the Company. In addition, accounts receivable and certain mortgages receivable have been assigned to the bankers.

4. Other secured debt

(a) Mortgages and secured loans of $21,116,000 and mortgages payable on investment properties of $14,840,000 bear interest at rates varying from 7% to 16%. Principal repayments are due as follows:

	Mortgages and secured loans	Mortgages payable on investment properties
Fiscal years ending		
1976	$ 2,161,000	$ 86,000
1977	1,872,000	1,093,000
1978	1,585,000	100,000
1979	4,908,000	4,709,000
1980	5,066,000	6,658,000
Thereafter	5,524,000	2,194,000
	$21,116,000	$14,840,000

Mortgages payable on investment properties include a bank loan of $4,600,000 secured by mortgages on specific properties. This loan is due on demand; however, the bank has indicated that it will not request repayment until September, 1978.

In certain circumstances, the mortgages include the right of early discharge.

It has been the policy of the Company to negotiate the renewal of mortgages on investment properties as they mature.

(b) The 6¼% sinking fund debentures, Series A, are unsecured and were issued by the Company pursuant to a trust indenture dated January 15, 1964, which provides that the Company is to retire by means of a sinking fund, $700,000 in each of the years 1976 to 1978 and the balance on February 1, 1979. Under the terms of the trust indenture, approximately $1,700,000 of the consolidated retained earnings as of February 28, 1975 are not available for payment of dividends.

5. Income taxes

The Company follows the tax allocation basis of accounting for income taxes. In 1975, the Company decided to reflect in its balance sheet $365,000 of deferred income taxes applicable to 1968 and prior years and not previously recorded in the accounts. This adjustment, which reduced retained earnings as at March 1, 1973, as previously reported, by $365,000 and increased deferred income taxes, had no effect on previously reported 1974 income.

6. Capital stock

Under the Company's share participation plan which became effective in 1974, 288,000 common shares were reserved (but not issued) for officers and other key employees at prices equal to the market value on the business day immediately before the day of issue. During the year 179,000 of these shares were issued for $520,000. The Company provides interest-free loans to participants in the plan to assist with the purchase of these shares. These loans may be repaid at any time and mature seven years from the purchase date. The shares purchased are held by a trustee and may be released to the participants at a rate of up to 20% per annum commencing one year after the purchase date, provided pro rata payment on account of the loan is received. As at February 28, 1975 loans of $505,000 were outstanding, of which $336,000 was due from officers and directors.

The Company has reserved 47,000 of the authorized and unissued common shares for outstanding employee share options. These options are exercisable in respect of 12,000 shares at $2.34 up to April 27, 1977 and 35,000 shares at $2.91 up to June 13, 1979.

During the year the Company purchased 6,000 common shares for cancellation for a cash consideration of $12,000.

7. Contingent liabilities

The Company is contingently liable for the other participants' portion of the liabilities of the joint ventures in which it participates; which contingent liability amounted to $33,600,000 at February 28, 1975. Against this contingent liability, the Company has claims on the related assets of the joint ventures. The combined assets and liabilities of the joint ventures in which the Company is participating totalled $68,700,000 and $54,000,000 respectively, at February 28, 1975; and the Company's share of these assets and liabilities, included in the 1975 balance sheet, is $29,000,000 and $20,400,000 respectively.

The Company has lodged letters of credit aggregating $2,320,000 with municipalities and utilities as security for the fulfilment of its obligations under certain subdivision agreements. Joint ventures have lodged similar letters of credit totalling $758,000.

8. Commitments

The Company in the ordinary course of business has options and agreements to purchase various parcels of land. At February 28, 1975 the Company had outstanding recoverable deposits of $120,000 toward the purchase of land which will cost approximately $433,000.

The Company leases a building under a long-term lease requiring approximate annual rentals of $242,000 to 1984 (with varying rates thereafter).

9. Statutory information

The aggregate direct remuneration paid or payable by the Company to directors and senior officers (as defined under the Ontario Business Corporations Act) amounted to $490,000 in the 1975 fiscal year (1974 – $475,000). Interest on debt initially incurred for a term of more than one year totalled $2,286,000 (1974 — $1,341,000).

“WE FEEL WE CAN STABILIZE OUR POSITION IN TODAY'S PEAK-AND-VALLEY MARKET”

The Company is continuing its policy of increasing its income from the revenue property division. By placing the emphasis on revenue property, we feel we can stabilize our position in today's peak-and-valley market. We are particularly enthused about "The Crossways", where occupancy should commence in the fall of 1975.

Toronto/40 Gerrard

We are pleased to report that, again this year, we have added a major development to our portfolio. 40 Gerrard Street East, a 35-storey apartment building containing 440 dwelling units plus office and retail space on the ground floor, was brought on stream during the latter part of 1974. At present, it has a residential vacancy rate of under 1½%. The current rental rates provide a gross annual income in excess of $1,275,000.

Toronto/The Crossways

Construction is nearing completion on this project with both retail and residential occupancies expected to commence during the fall of 1975. Leasing is now underway on the 90,000 foot enclosed shopping mall which forms the podium of the development from which rise the twin 29-storey residential towers. Rental brochures are being prepared for the apartment units and we expect to have model suites ready for viewing early this fall. We project that the building will be rented by 1976, at which time it will generate a gross annual income in excess of $4,000,000. Anchor tenants have been obtained for the retail space with leases either signed or in the final stages of negotiation.

Toronto/Walmer Place

This 19-storey apartment and retail commercial complex continues to operate at approximately 100% occupancy. The annual gross revenue from this building now exceeds $700,000.

Toronto/Regency Towers Hotel

The Regency Towers is to be reborn under the name "The National Motor Inn". A joint venture has been structured with Canada's Conklin Shows and a design firm, Graafikko Limited. The hotel is being completely refurbished and we feel that the ideas to be injected into the operation by Jim Conklin, president of Canada's Conklin Shows, will generate the excitement needed to make this a highly successful food and beverage operation.

Whitby

We have a 50% interest in a 38,600 square feet building in this community. Although the building is located in the Whitby industrial park, 85% of the space has been rented for office use. The building is fully leased; the principal tenant is the regional government of Durham.

Barrie/Shopping Plaza

This plaza located in the south end of Barrie alongside Highway 400 consists of 23 retail stores, a large bowling centre and a gas bar. The plaza is operating at 100% occupancy and has reflected an annual improvement.

Project Management

In addition to the management of 99 Avenue Road (medical building) and 260 Richmond Street West, Toronto, your Company also manages, on a fee basis, six residential complexes registered under the Condominium Act. We have also entered into agreements to manage five additional developments which are presently under various stages of registration. On completion of these projects, the total number of residential units managed by your Company will exceed 3,200.

"WE ARE NOW CONSIDERED ONE OF THE COUNTRY'S LEADING LAND DEVELOPERS"

During 1975, sales were made from our inventory of Consolidated and joint venture lands. Sales included 798 lots, a small commercial site and three school sites, consisting of 23 acres.

Your Company has a current inventory of approximately 3,400 acres of land in southern Ontario. This area has been one of the fastest growing locales in the continent. We have built up our management expertise to the point where we are now considered one of the country's leading land developers.

Scarborough Rosewood subdivision

All three stages of the 175 acre subdivision have now been registered, leaving a final 21 unregistered lots to be brought on stream some time this year. We have retained a portion of the finished lots for our own construction account and the balance have been sold. An architectural committee was established to control the aesthetics of the homes being constructed. We have been pleased with the outcome. Builders in Rosewood report that sales have been brisk.

Scarborough/Milliken

As mentioned in last year's report, we acquired a 50 acre parcel of land in the Milliken community, Scarborough. It appears that our timing is on schedule and we anticipate registration of these lands in 1976.

Whitby/Meadows of West Lynde

This development is complete with the exception of one block of land being readied for a townhouse project consisting of 120 units. Final plans are being prepared for submission to the town of Whitby which would release this parcel of land for building permits.

Whitby/Thickson Road

We are seeking official designation from the Ontario Municipal Board for this 24 acre shopping centre site. In addition, your Company owns land on which the official plan will allow for construction of approximately 450 townhouses and apartments. When the matter of the shopping centre designation has been resolved, we anticipate that we will be able to proceed with the development of this residential community.

Brampton/Villages of Heart Lake

We had anticipated that this 750 acre development project would receive final registration and be ready for construction in the fall of this year. Processing has been delayed at the government level, but we are confident that this 4,200 unit development will be released in time for a construction program late this year.

In addition to 4,200 dwelling units, the plan also provides for a 40 acre commercial site which will accommodate a shopping mall of 350,000 square feet, together with a 700,000 square feet office complex. An industrial park of 100 acres will also be developed.

Kitchener/Waterloo

Your Company owns 80 acres which are still in the development process. We had projected approval in late 1976 and we are continuing to work toward this deadline.

Keswick

A plan has been prepared for this 108 acre parcel in the resort community of Keswick. Our initial meetings with the council and regional government have been most productive and we hope to have preliminary approval in 1976 for developing these residential lots.

Mississauga/Erin Meadows

Initial plans for this 670 acre parcel of prime land abutting Erin Mills and Meadowvale have received preliminary approval from the City of Mississauga. We are now in the secondary stages of planning for this site.

Oshawa

The Oshawa Fair Board has expressed an interest in purchasing a portion of our holdings. We are currently negotiating directly with the Fair Board and indirectly with the municipality in order to provide recreational facilities for the area.

North Whitby/Brooklin

We contemplate the development of approximately 2,000 acres surrounding the town of Brooklin, of which your Company controls approximately 1,200 acres.

Meetings have been conducted with regional, local and provincial planning staffs. Public meetings have also been held with local residents and ratepayers to make them aware of our plans for the area.

We have aggressively pursued the processing of land in inventory for development on a phase-controlled program. Should we be successful, we will produce approximately 17,000 building sites over the next five to seven years.

"A TOTAL OF 1,000 NEW HOUSING STARTS WERE MADE IN ADDITION TO THE 880 HOMES ALREADY UNDER CONSTRUCTION"

During the past year, Consolidated Building Corporation was responsible for the sale and closing of 1,492 homes for our own account and for joint ventures.

Despite this activity, we had a slight decline in housing starts as a result of the economic situation and the consequent lack of available mortgage funds. Nonetheless, a total of 1,000 new housing starts were made in addition to the 880 homes already under construction at the beginning of the fiscal year.

The enactment of the Land Speculation Tax Act by the Government of Ontario in April of 1974 helped precipitate a slowdown in housing sales which continued through the balance of the year. In January of 1975, selling activity began to improve and house sales have been continuing at an increased rate for the first part of this year.

The grant of $1,500 by the Ontario Government to first-time home buyers has helped the sale of existing inventory of homes under construction. We anticipate the total house sales for the current year might exceed those of last year.

North York/Pine Hill

There are only a few unsold homes remaining in this project of 144 semi-detached homes on Don Mills Road north of Finch. We anticipate that construction will be completed this summer and the balance of homes will be sold for occupancy prior to our year end.

Malton/Ridgewood Green

This project of 232 detached and semi-detached homes was completed and the balance of homes occupied in 1974.

Clarkson/Inverhouse

The condominium community of 85 townhouses is now completely sold and fully registered under the Condominium Act. A Board of Directors has been elected by the owners and the project is being managed by your Company. Construction of the 125 suite condominium apartment building adjacent to the townhouses will be completed this year with the first occupancies expected in July of 1975.

Meadowvale South

Because of current economic and market conditions, your Company has deemed it prudent to delay construction on two condominium towers totalling 222 suites. However, building permits are available and a start could be made on short notice should management see an upturn in the market.

Meadowvale West

The construction of 197 detached and semi-detached homes comprising phase two of this project is expected to be completed this year. Sales have been proceeding well; we anticipate that most of the houses will be occupied as soon as they are completed.

Construction of 110 condominium townhouses in Meadowvale West is proceeding on schedule and the first homes have already been occupied. This project should be completed and sold during the current fiscal year.

Scarborough Morningside and Lawrence

The first building in this project of 104 condominium stacked townhouses is already partially occupied and sales are proceeding well. We expect this development will be fully completed and occupied by the end of the year.

On the remaining two blocks of fully serviced land, we are negotiating with the federal government for financing to erect apartment buildings for families of moderate income.

Toronto/Lonsdale

This luxury apartment building is now registered as a condominium and managed by your company. At present, there are only six vacant suites in the building.

Etobicoke/The Masters

Sales of these luxury condominium apartments, comprising 494 units, at Burnamthorpe and Mill Roads commenced in March 1975 and by the end of April 1975 over 40 units had been sold. The first purchasers will move into the building in May. The first 16-storey apartment tower is nearing completion and the second building is well under construction.

Brampton
Villages of Central Park

We are continuing to supervise the planning, construction and sales of this H.O.M.E. community on behalf of our partners in the joint venture. There are 2,216 families now living in the Villages of Central Park and construction and sale of the final phase comprising 134 units commenced in May 1975.

In keeping with our involvement with government-sponsored construction, we anticipate that your Company will be building additional H.O.M.E. units in the next stage of the Malvern community in the borough of Scarborough.

Consolidated Building
Corporation Limited

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Consolidated Building Corporation Limited

Consolidated Statement of Changes in Financial Position (Unaudited)

For the Six Months Ended August 31, 1975
(with comparative figures for 1974)

	1975	1974
Sources of funds:		
Earnings for the six months	**$1,094,000**	$3,091,000
Add non cash items		
Deferred income taxes	**450,000**	750,000
Depreciation and amortization	**136,000**	71,000
Other	**(7,000)**	(2,000)
Funds provided from operations	**1,673,000**	3,910,000
Mortgages — investment properties	**5,236,000**	1,573,000
Decrease —		
Housing inventory	**1,741,000**	(2,250,000)
Land held for development	**709,000**	2,128,000
Decrease in mortgages, sale agreements and sundry receivables	**858,000**	(1,333,000)
Decrease in —		
land and housing deposits	**818,000**	(1,203,000)
other assets	**15,000**	(267,000)
	11,050,000	2,558,000
Application of funds:		
Dividend	**478,000**	318,000
Investment properties	**5,433,000**	2,753,000
Repayment of —		
Housing mortgages	**1,452,000**	(3,155,000)
Other mortgages	**1,416,000**	1,342,000
Sinking fund debentures	**612,000**	338,000
Accounts payable	**3,678,000**	1,592,000
Decrease in income taxes payable	**1,349,000**	292,000
	14,418,000	3,480,000
Decrease in cash, net of bank indebtedness	**$3,368,000**	$ 922,000

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consolidated building corporation limited
99 Avenue Road, Toronto, Canada M5R 2G5

File

Consolidated Building Corporation Limited

INTERIM REPORT

For the Six Months Ended

AUGUST 31, 1975

6 MONTHS

Report to the Shareholders

I am pleased to report that the results for the second quarter have shown a sharp improvement over those of the previous quarter.

Earnings per common share were 17.2¢ as compared to 48.5¢ of the previous year but were up from the 5.7¢ reported for the first quarter.

Revenue was $13,996,000 compared to $25,740,000 and net profit was $1,094,000 compared to $3,091,000.

While the economic and political environment under which we have been operating during the past 6 months were far from optimal, we have still maintained a profitable position and anticipate improvements for the second half.

The Villages of Heart Lake, a development of 760 acres in which your Company has a 50% interest, is now at the point of registration. This will release approximately 4,200 lots for building and sale, which will enhance the profitability of your Company over the next 4 years.

On November 1st, of this year, we will begin renting our apartments (over 1,100) in the Crossways Development at Bloor and Dundas Streets in Toronto. The retail space in the enclosed shopping center which forms part of this development is now being rented and we expect a grand opening in early 1976.

Your Company was successful in its tender bid to construct 62 townhouse units in the City of Guelph under the HOME plan. Work should commence shortly.

Your management feels that the Company inventory is appreciating in value while it is maturing and that this will provide a solid base for continued earnings.

Lawrence Shankman
President and Chief Executive Officer

Highlights
Six Months Ended August 31, 1975

	1975	1974
Revenue	$13,997,000	$25,740,000
Net Profit	1,094,000	3,091,000
Net Profit per share	17.2	48.5
Cash flow from operations	1,673,000	3,910,000
Cash flow per share	26.3	61.4

Consolidated Building Corporation Limited

Consolidated Statement of Earnings (Unaudited)

For the Six Months Ended August 31, 1975
(with comparative figures for 1974)

	1975	1974
Revenue:		
Sale of real estate	$12,237,000	$24,086,000
Gross income from investment properties	1,415,000	863,000
Interest, management fees and sundry income	345,000	791,000
	13,997,000	25,740,000
Expenditures:		
Cost of real estate sold	9,123,000	17,427,000
Operating expenses of investment properties (excluding interest and depreciation)	983,000	744,000
Selling, general and administrative expenses	971,000	896,000
Interest expense	579,000	296,000
Depreciation and amortization of investment properties	136,000	71,000
	11,792,000	19,434,000
Earnings for the period before income taxes	2,205,000	6,306,000
Income taxes — current	661,000	2,465,000
— deferred	450,000	750,000
	1,111,000	3,215,000
Earnings for the period	$ 1,094,000	$ 3,091,000
Earnings per share (based on weighted average shares outstanding during the period)	17.2¢	48.5¢